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THE INTERIM

JUNE 1995

HELENA, MONTANA

VOL. X NO. 1

STATE DOCUMENTS COLLECTION

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THE INTERIM RETURNS

Publication Resumes...Publication of *THE INTERIM* resumes with this issue and will continue each month through December 1996. The monthly bulletin of legislative activities is published by the Legislative Council staff and includes reports on all meetings of legislative committees during the interim. The monthly calendar of activities in each issue will provide current information on all future meetings. **The Back Page** will provide an in-depth analysis each month on a topic of importance to Montanans, such as health care, workers' compensation, affordable housing, and property taxation.

PLEASE RETURN
INTERIM STUDIES SELECTED

Legislators Rank Five Studies...Following the adjournment of the legislative session, the Legislative Council polled the legislators in order to prioritize the interim studies requested by the 54th Legislature. In the balloting, legislators were asked to rank five study requests. Rankings after voting, from highest to lowest, were:

- (1) **SJR 23:** Preparing state management systems for the 21st century

- (2) **SJR 19:** State-chartered financial institutions
- (3) **SJR 21:** Professional and Occupational licensing boards
- (4) **SJR 25:** Campaign finance, laws, administration, and enforcement
- (5) **HJR 19:** Continuation of the study of veterans' needs

Council Selects Studies...The Legislative Council met on Monday, May 22, and decided to initially create two interim joint subcommittees, one for SJR 23 and one for SJR 19. Because it is anticipated that SJR 19 should be completed halfway through the interim, the Council anticipates appointing a third interim joint subcommittee to conduct the SJR 21 study during the second half of the interim.

The Council will review the progress of all staff and committee work throughout the interim and then, based on available staff and financial resources, will consider assigning the SJR 25 study as a staff project or creating a fourth interim joint subcommittee to conduct the study. The Council chose not to conduct the HJR 19 study due to other identified priorities and limited resources.

The Council also decided to accommodate the request contained in SJR 4, a study of issues surrounding legislative committee minutes. The Council will serve as the study committee for SJR 4.

Other Studies and Committees...In addition to the requested interim studies, the Council is responsible for supplying research, legal, and support services to four permanent committees: Revenue Oversight Committee, Indian Affairs Committee, Administrative Code Committee, and Oversight Committee on Children and Families. The Legislature also reauthorized the Committee on Retirement Issues and created the Juvenile Justice and Juvenile Mental Health Study Commission, both of which require Council staff support.

If you wish to be on the mailing list of any of the committees or subcommittees listed above, please contact the Legislative Council at 444-3064.

INTERIM COMMITTEE ASSIGNMENTS

House and Senate Appoint Members...The Speaker of the House and the Senate Committee on Committees have appointed the following legislators to interim legislative committees.

LEGISLATIVE CONSUMER COMMITTEE

Sen. John Harp (R)

Rep. Sonny Hanson (R)

Sen. Gary Forrester (D)

Rep. Joe Quilici (D)

ADMINISTRATIVE CODE COMMITTEE

Sen. Larry Baer (R)

Rep. Matt Denny (R)

Sen. Don Hargrove (R)

Rep. Marge Fisher (R)

Sen. Terry Klampe (D)

Rep. Deb Kottel (D)

Sen. Gary Forrester (D)

Rep. Dore Schwinden (D)

ENVIRONMENTAL QUALITY COUNCIL

Sen. Bill Crismore (R)

Rep. Vicki Cocchiarella (D)

Sen. Lorents Grosfield (R)

Rep. Dick Knox (R)

Sen. Ken Mesaros (R)

Rep. Scott Orr (R)

Sen. Vivian Brooke (D)

Rep. Bill Ryan (D)

Sen. Steve Doherty (D)

Rep. Debbie Shea (D)

Sen. Jeff Weldon (D)

Rep. Bill Tash (R)

Jeanne-Marie Souvigney

Jerry Sorenson

Jerry Noble

Greg Tollefson

COMMITTEE ON INDIAN AFFAIRS

Sen. Casey Emerson (R)

Rep. George Heavy Runner (D)

Sen. Ethel Harding (R)

Rep. Joan Hurdle (D)

Sen. Linda Nelson (D)

Rep. Bonnie Martinez (R)

Sen. Barry Stang (D)

Rep. Jay Stovall (R)

MICROBUSINESS ADVISORY PANEL

Sen Ric Holden (R)

Rep. John Bohlinger (R)

Sen. Bill Wilson (D)

Rep. Bill Carey (D)

RESERVED WATER RIGHTS COMPACT COMMISSION

Sen. Chuck Swysgood (R)

Rep. Robert Story (R)

Sen. Jeff Weldon (D)

Rep. Emily Swanson (D)

REVENUE OVERSIGHT COMMITTEE

Sen. Mack Cole (R)

Rep. Shiell Anderson (R)

Sen. Mike Foster (R)

Rep. Marian Hanson (R)

Sen. Del Gage (R)

Rep. Dan Harrington (D)

Sen. Chris Christiaens (D)

Rep. Chase Hibbard (R)

Sen. Barry Stang (D)

Rep. Bob Ream (D)

Sen. Mignon Waterman (D)

Rep. Joe Tropila (D)

LEGISLATIVE FINANCE COMMITTEE

Sen. Loren Jenkins (R)

Rep. Ed Grady (R)

Sen. Eve Franklin (D)

Rep. Royal Johnson (R)

Sen. Ethel Harding (R)

Rep. Mike Kadas (D)

Sen. Larry Tveit (R)	Rep. Matt McCann (D)
Sen. Judy Jacobson (D)	Rep. Bob Raney (D)
Sen. Fred Van Valkenburg (D)	Rep. Tom Zook (R)

LEGISLATIVE COUNCIL

Sen. Al Bishop (R)	Rep. Larry Grinde (R)
Sen. Bruce Crippen (R)	Rep. Don Larson (D)
Sen. Chris Christiaens (D)	Rep. Red Menahan (D)
Sen. J.D. Lynch (D)	Rep. Tom Nelson (R)
Sen. Bob Brown (R)	Rep. John Mercer (R)
Sen. Mike Halligan (D)	Rep. Ray Peck (D)

TELECOMMUNICATIONS TASK FORCE

Sen. Tom Beck (R)	Rep. Norm Mills (R)
Sen. J.D. Lynch (D)	Rep. Joe Quilici (D)

FUTURE FISHERIES REVIEW COMMITTEE

Sen. Al Bishop (R)	Rep. Doug Wagner (R)
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HEALTH CARE ADVISORY COUNCIL

Sen. Steve Benedict (R)	Rep. Duane Grimes (R)
Sen. Judy Jacobson (D)	Rep. Emily Swanson (D)

LEGISLATIVE AUDIT COMMITTEE

Sen. Greg Jergeson (D)	Rep. Ernest Bergsagel (R)
Sen. Tom Keating (R)	Rep. Bob Pavlovich (D)
Sen. Linda Nelson (D)	Rep. Toni Hagener (D)
Sen. Sue Bartlett (D)	Rep. Beverly Barnhart (D)
Sen. Ken Miller (R)	Rep. Bruce Simon (R)
Sen. Reiny Jabs (R)	Rep. Bob Keenan (R)

LEGISLATIVE COUNCIL

Council Meets in May...The Legislative Council met May 22 to organize and to designate the interim studies to be conducted. (See article on page 1.) The Council elected Senator J.D. Lynch, Chairman, and Representative Larry Hal Grinde as Vice-Chairman.

The Council recognized that while there is no budget available for legislators to use to participate, individual members may receive invitations to attend a variety of conferences. A recent invitation to attend the Five-State Conference is an example. Members are encouraged to participate in such conferences at their own expense. For some organizations, having delegate status may allow participation at a higher

level. The Council delegated to Chairman Lynch the authority to designate a member as a delegate on request. In a related action, the Council designated Rep. Joe Quilici as a delegate from Montana to NCSL.

Council to Hold Retreat...The Council decided to hold a "retreat" meeting on July 8 to explore future directions and roles for the Council. The Council members want legislators, staff, and other interested people to contact them with ideas, observations, or suggestions regarding any matter of legislative process, organization, etc. that might be appropriate for Council consideration.

LIBRARY

Committee Minutes Being Processed...Summary committee minutes from the 1995 legislative session are currently being received at the Council Library, processed for conversion to microfiche, and transmitted to the Historical Society Archives, 225 N. Roberts, Helena, MT 59620-1201 406/444-4775.

All Senate secretaries have now completed their minutes, except for Senate Finance and Claims. As minutes are approved by the committee chairs, they are transmitted through the Council Library to the Archives. Most House committee minutes should be completed by the end of May except for Education, Human Services, Judiciary, Taxation and the Subcommittees on General Government and Human Services. These probably won't be completed until the end of June.

If you have questions about the status of a particular set of minutes, please call the Council Library at 444-3064.

1995 MONTANA CODE ANNOTATED PRICES

Full set of MCA statute text

Private sector or federal government	\$310.00
State or local government	290.00
Individual MCA volumes	29.00
Individual MCA titles (except for Title 30, ch. 10; Title 49; and Title 70, ch. 23-27)	12.50
Title 30, ch. 10; Title 49; and Title 70, ch. 23-27	9.00
Legislative Review	6.00

Laws of Montana (Session Laws)	80.00
History and Final Status	50.00*
MCA on CD-ROM	
CD-ROM on a subscription basis in addition to the MCA or Annotations in book form	225.00
CD-ROM only on a subscription basis	300.00
Single CD-ROM	165.00

*The price of the History and Final Status is subject to change.

COMMITTEE ON INDIAN AFFAIRS

Committee to Meet in August...The Committee on Indian Affairs will hold its first meeting on Thursday, August 10 in Helena. At that time, the Committee will elect officers and plan its work for the interim.

The Committee will discuss and adopt a study plan for Senate Joint Resolution No. 11 that calls for a study to determine compliance with Article X, Section 1, subsection 2 of the Montana Constitution that commits the State to the preservation of American Indian cultural integrity. The Committee will also discuss which reservations the members would like to visit this interim. It is anticipated that the Committee will visit at least two and possibly three reservations.

Committee members will also have an opportunity to discuss other issues that they believe the Committee should look into during the interim.

The members of the Committee are Senators Casey Emerson, Ethel Harding, Linda Nelson, and Spook Stang, and Representatives George Heavy Runner, Joan Hurdle, Bonnie Martinez, and Jay Stovall.

For further information about the Committee, please contact Connie Erickson or Eddy McClure at the Legislative Council, 444-3064.

REVENUE OVERSIGHT COMMITTEE

Officers Elected...As is its custom, the Revenue Oversight Committee held an organizational meeting during the closing days of the legislative session. The Committee met on April 13 and elected Senator Del Gage Chair and Representative Bob Ream Vice Chair. Other Committee members include Senators Chris Christiaens, Mack Cole, Mike Foster, Barry "Spook" Stang, and Mignon Waterman, and Representatives Shiell Anderson, Marian Hanson, Dan Harrington, Chase Hibbard, and Joe Tropila.

June 16 Meeting...The Committee will meet jointly with the Legislative Finance Committee Friday, June 16 in Room 325 (Old Supreme Court Chambers) of the State Capitol. The purpose of the joint meeting is to hear a summary of legislation enacted during the 1995 session that affects state revenue and expenditures.

Following the joint meeting the Committee will reconvene in Room 104. Although the agenda has not been finalized, the principal business of the Committee will be consideration of its work schedule for the interim. Because the 54th Legislature did not assign any studies to the Committee, the Committee will select its own study topics. Staff will present two study proposals for the Committee's consideration. One proposal would be an analysis of proposed changes in federal income tax law and the potential impact on Montana income taxes. The other proposal would be an examination of Montana's property tax system.

Other business will include a review of the Committee's statutory responsibilities and a summary of tax legislation enacted during the 1995 session.

LEGISLATIVE AUDIT COMMITTEE

Committee Meets in May...The Legislative Audit Committee met May 19 in Room 104 of the Capitol Building. The following reports were presented:

FINANCIAL-COMPLIANCE AUDITS:

Statewide Audit

The Montana Comprehensive Annual Financial Report is prepared by the Department of Administration and includes three main sections: introductory, financial, and statistical. The report also includes the

independent auditor's report on the General Purpose Financial Statements for fiscal year 1993-94.

The University of Montana - Missoula (94-45)

A financial-compliance audit of the University of Montana was performed for the fiscal year ending June 30, 1994. The report contains no recommendations to the University. An unqualified opinion was issued on the financial statements contained in the audit report, which indicates the reader can rely on the information contained in the statements.

Western Montana College of the University of Montana (94-10)

A financial-compliance audit of Western Montana College of the University of Montana was performed for the two fiscal years ending June 30, 1994. The report contains one recommendation related to student housing policies which are not consistent with state law. An unqualified opinion was issued on the financial statements contained in the audit report.

Montana Tech of the University of Montana (94-8)

A financial-compliance audit of Montana Tech of the University of Montana was performed for the two fiscal years ending June 30, 1994. The report contains four recommendations related to unrecorded financial activity, compliance with contracted services requirements, and monitoring property records. An unqualified opinion was issued on the financial statements contained in the audit report.

Teachers' Retirement Division (94-16)

A financial-compliance audit of the Teachers' Retirement Division was performed for the two fiscal years ending June 30, 1994. The report contains no recommendations to the system. An unqualified opinion was issued on the financial statements contained in the audit report.

Department of Labor and Industry (94-5)

A financial-compliance audit of the Department of Labor and Industry was performed for the two fiscal years ending June 30, 1994. The report contains eight recommendations concerning compliance with unemployment insurance eligibility requirements, equipment improperly deleted from records, federal cash management, and compliance with state accounting laws and policies. An unqualified opinion was issued on the financial schedules contained in the report.

Department of Corrections and Human Services (94-7)

A financial-compliance audit of the Department of Corrections and Human Services was performed for the two fiscal years ending June 30, 1994. The report contains 21 recommendations for improvement

in the department's operation. The recommendations address compliance with state laws and federal regulations, responsibility for residents' property held in trust, and the calculation and submission of Medicaid per diem billing rates. An unqualified opinion was issued on the financial schedules contained in the audit report.

Public Employees' Retirement Division (94-15)

A financial-compliance audit of the Public Employees' Retirement Division was performed for the two fiscal years ending June 30, 1994. This report contains one recommendation regarding review of changes made to the division's database. The report also contains financial statements and an independent auditor's report for each of the seven retirement systems and the Volunteer Firefighters' Compensation Act.

Montana State University - Billings (94-9)

A financial-compliance audit of Montana State University - Billings (formerly Eastern Montana College) was performed for the two fiscal years ending June 30, 1994. The university implemented its two prior audit recommendations. The report contains two recommendations to improve the university's contracting for food services and accounting for unrecorded foundation scholarships and double-recorded work study expenditures. An unqualified opinion was issued on the financial statements contained in the audit report.

Department of Fish, Wildlife and Parks (94-13)

A financial-compliance audit of the Department of Fish, Wildlife and Parks was performed for the two fiscal years ending June 30, 1994. The report contains one recommendation regarding compliance with state travel laws. An unqualified opinion was issued on the financial schedules contained in the audit report.

Board of Investments, Department of Commerce (94-3)

The Board of Investments audit report for fiscal year 1993-94 includes recommendations addressing increasing income on coal severance tax accounts, improving compliance with legal limits on STIP accounts, and implementing controls over access to electronic accounting data and recording transactions as required by state law. Unqualified opinions were expressed on the financial statements presented and prepared by the Board of Investments.

Department of Natural Resources and Conservation (94-14)

A financial-compliance audit of the Department of Natural Resources and Conservation was performed for the two fiscal years ending June 30, 1994. The report contains six recommendations related to compliance with dam safety laws and recording activity in accordance

with state accounting policy. An unqualified opinion was issued on the financial schedules contained in the audit report.

Department of Revenue (94-6)

A financial-compliance audit of the Department of Revenue was performed for the two fiscal years ending June 30, 1994. The report contains 13 recommendations related to the liquor division, compliance with state law governing taxation, and compliance with laws and regulations related to the royalty audit division. An unqualified opinion was issued on the financial statements contained in the audit report.

PERFORMANCE AUDIT FOLLOW-UP

Department of Transportation Equipment and Motor Pool Programs (94SP-45)

A follow-up review of the 1992 performance audit of the Montana Department of Transportation Equipment and Motor Pool Programs was performed. The follow-up showed improvement in both programs. Of the 28 recommendations in the original report, 20 are implemented or being implemented and 8 are partially implemented. The main issues continue to be proper maintenance of equipment and vehicles, as well as Motor Pool and equipment management information systems and the documentation of timely maintenance.

Committee to Meet in June...The next meeting of the Legislative Audit Committee is scheduled to be held June 16, 1995.

1995 LEGISLATIVE RECAPITULATION

House of Representatives

INTRODUCED

House Bills	607
House Joint Resolutions	30
House Resolutions	2
TOTAL	639

June 1995

THE INTERIM

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VOTED DOWN (includes bills indefinitely postponed)

House Bills	33
House Joint Resolutions	3
TOTAL	36

DIED IN COMMITTEE (includes tabled bills)

House Bills	221
House Joint Resolutions	6
TOTAL	227

DIED IN PROCESS

House Bills	5
House Joint Resolutions	1
TOTAL	6

PASSED BY LEGISLATURE

House Bills	348
House Joint Resolutions	20
House Resolutions	2
TOTAL	370

VETOED

House Bills	6*
TOTAL	6

ADOPTED; SIGNED INTO LAW

House Bills	342
House Joint Resolutions	20
House Resolutions	2
TOTAL	364

* HB 528 is currently undergoing legislator polling on whether or not to override the governor's veto. Results are expected by June 16.

Senate

INTRODUCED

Senate Bills	425
Senate Joint Resolutions	25
Senate Resolutions	7
TOTAL	457

June 1995

THE INTERIM

12

VOTED DOWN (includes bills indefinitely postponed)

Senate Bills	29
Senate Joint Resolutions	1
TOTAL	30

DIED IN COMMITTEE (includes tabled bills)

Senate Bills	135
Senate Joint Resolutions	3
TOTAL	138

DIED IN PROCESS

Senate Bills	7
Senate Joint Resolutions	1
TOTAL	8

PASSED BY LEGISLATURE

Senate Bills	254
Senate Joint Resolutions	20
Senate Resolutions	7
TOTAL	281

VETOED

Senate Bills	2*
TOTAL	2

ADOPTED; SIGNED INTO LAW

Senate Bills	252
Senate Joint Resolutions	20
Senate Resolutions	7
TOTAL	279

* SB 257 is currently undergoing legislator polling on whether or not to override the governor's veto. Results are expected by June 16.

Grand Total

INTRODUCED

House	639
Senate	457
TOTAL	1096

June 1995

THE INTERIM

13

VOTED DOWN (includes bills indefinitely postponed)

House	36
Senate	30
TOTAL	66

DIED IN COMMITTEE (includes tabled bills)

House	227
Senate	138
TOTAL	365

DIED IN PROCESS

House	6
Senate	8
TOTAL	14

PASSED BY LEGISLATURE

House	370
Senate	281
TOTAL	651

VETOED

House	6*
Senate	2*
TOTAL	8

ADOPTED; SIGNED INTO LAW

House	364
Senate	279
TOTAL	643

HB 528 and SB 257 are currently undergoing legislator polling on whether or not to override the governor's veto. Results are expected by June 16.

LEGISLATIVE FINANCE COMMITTEE

Committee Elects New Chairman....At its organizational meeting on April 12, the Legislative Finance Committee (LFC) elected Representative Mike Kadas as Chair for a two year term, succeeding Representative Tom Nelson. The Committee also elected Senator Ethel Harding as Vice Chair and Senator Judy Jacobson as Secretary. The LFC will meet at least once quarterly.

Appropriations Report to be Presented...The Legislative Fiscal Analyst's 1997 Biennium Appropriations Report will be presented to a joint meeting of the Legislative Finance Committee and the Revenue Oversight Committee on June 16 at 9 a.m., in Room 325 of the State Capitol.

The report will include an overview volume and two volumes of detailed revenue and agency budget detail. The overview volume will contain a summary of legislative action on the 1997 biennium budget and fiscal policy, including summary tables and reference data. Copies of the overview will be distributed to all legislators and state agencies in mid-June. Copies of the other two volumes will be available to legislators upon request. Agencies with a need for additional copies and interested non-state entities will be able to purchase the reports from the Legislative Council beginning on June 16. The number of reports available for purchase will be limited.

Committee to Plan Work for Interim...Following the joint session with the Revenue Oversight Committee, the LFC will hear additional reports from the staff of the Legislative Fiscal Analyst (LFA) and executive branch personnel. The reports will include: proposed budget amendments; the LFA 1997 biennium workplan; an update on executive branch reorganization projects; a status of the legislative branch reorganization; and a preview of the Senate Joint Resolution 23 interim legislative study and planning process on preparing state management systems for the 21st century.

JUDICIAL UNIFICATION AND FINANCE COMMISSION

Results of Recommendations...Six bills were introduced in the 54th Legislature by request of the Judicial Unification and Finance Commission (JUFC), an interim study committee created by the 53rd Legislature to examine court administration and finance issues. Two bills were tabled. Two of the remaining four were passed and approved and the other two were amended. The table below shows the final action taken on each of the JUFC bills.

BILL NO.	SHORT TITLE	FINAL ACTION
HB 143	Revise certain District Court fees; create new county records preservation fund	TABLED in House Appropriations
HB 175	Chief Justice rather than the Governor to temporarily assign District Judges to other districts	PASSED & APPROVED without amendment
HB 176	Impose a \$5 surcharge on users in all criminal, civil, and probate court cases; revenue to be used for court automation program	PASSED & APPROVED with amendments
HB 188	50/50 cost-sharing program for District Court expenses in civil cases; extending the current local option light vehicle tax and requiring a public hearing only for initial adoption and subsequent changes	PASSED & APPROVED but <u>heavily</u> amended
HB 519	State assumption of involuntary psychiatric civil commitment costs	TABLED in House Appropriations
SB 6	Retain 7-member Supreme Court	PASSED & APPROVED without amendment

The JUFC's most significant recommendation, HB 188 introduced by Rep. Wiseman, established a cost-sharing program whereby the state would reimburse up to 50% of certain county District Court costs in civil cases and funded by a statewide 0.1% light vehicle tax. The Legislature rejected the cost-sharing proposal and heavily amended the bill so that the only portion remaining intact extended the 1995 sunset on the 0.5% local option light vehicle tax to July 1, 2005. However, new statutory language provided that the "first priority" of local option tax revenue must be "for district court funding".

Court Information and Technology...Another key bill, HB 176, was designed to improve court information and technology. Under HB 176, introduced by Rep. Hagener, a \$5 user surcharge was imposed on defendants convicted in criminal cases, on the initiating party of each action in civil and probate cases, and on each defendant or respondent

on appearance in civil cases. The revenue was originally to be deposited in a special revenue account and statutorily appropriated to the Office of Supreme Court Administrator for a statewide court information and technology program. However, HB 176 was amended so that the \$5 user surcharge is deposited to a special revenue account but is not appropriated.

Strategic Planning...Although not introduced as bills, the JUFC recommended creation of a Judicial Council and regional meetings for judges as ways to improve communication and provide strategic planning within the Judicial Branch. These recommendations triggered a process within the Montana Judges Association resulting in three resolutions. These resolutions, which will be introduced at the June 1995 Judges Association meeting, provide for:

- publication of a Montana Judges Association quarterly newsletter;
- division of the state into 5 geographical regions so that District Judges can meet regionally at least semi-annually to discuss matters of common concern; and
- the appointment by the Montana Judges Association Board of Directors of a Planning and Steering Committee, which will develop a strategic action plan for the future of the Montana Judiciary.

Conclusion...The JUFC's key recommendation, HB 188 providing a cost-sharing program in civil cases, was to be funded by a statewide 0.1% light vehicle tax. However, the JUFC considered the use of light vehicle taxes, including the 0.5% local option tax, a short-term solution to court funding shortfalls. The short-term may be a decade, because under the final version of HB 188, the local option tax will terminate June 30, 2005. The Legislature may be well-served to take the next 10 years to pursue the JUFC's recommendation that court funding be included in a debate on comprehensive property tax reform.

In the meantime, meaningful court reform will likely remain elusive unless or until the clamor for reform becomes loud enough to arouse the public conscience.

THE BACK PAGE

The recently-concluded legislative session saw the reorganization of several executive branch agencies. On July 1, the new departments of Natural Resource Management, Environmental Quality Review, and Public Health and Human Services come into existence.

The legislative branch agencies were also subject to reorganization, but not to the same extent as the executive agencies. In the first "Back Page" of the interim, Bob Person discusses legislative reorganization and how it will affect the day-to-day operation of the legislative branch.

SB 398: Legislative Branch Reorganization

by Bob Person, Executive Director
Montana Legislative Council

CONSOLIDATION OF LEGISLATIVE AGENCIES

Administrative consolidation of the Senate, House, Legislative Council, Office of Legislative Auditor, Office of Legislative Fiscal Analyst, Environmental Quality Council, and associated committees is the core of the legislative branch reorganization now being implemented. The consolidation has very much of a legislative branch flavor to it that recognizes the fact that the branch does not have a single point of focus for its administrative or functional responsibilities. Instead, the Senate and the House comprise two separate entities that must work in tandem to perform the main duties of the branch. Joint committees govern central staff services on behalf of the Senate and House. The consolidation in SB 398 respects the unique legislative arrangement by allowing an appropriate division between administrative services and programmatic work. This is reflected in the immediate consolidation of the financial administration of the branch and the consolidation of the general administrative policy for staff, including a branch pay plan and personnel administration. Opportunities are then created for further integration of operational arrangements to assure that legislative staff service to the Legislature and the people are pursued with the guidance and support of the Legislature and the governing committees.

The bill establishes a single budget entity on SBAS for all entities that are consolidated. This is a budget "agency" currently named "Legislative Council" reflecting legislative intent expressed during the session. For

operational purposes, staff has adopted the form "Legislative Branch" for activities being jointly pursued.

Under the reorganization plan, the current agencies are renamed as divisions: Legislative Services Division (Legislative Council); Audit Division (Office of the Legislative Auditor); and Fiscal Division (Office of the Legislative Fiscal Analyst).

For the 1997 legislative session, the Office of Budget and Program Planning (OBPP) and the Legislative Fiscal Analyst will jointly prepare a single budget book that combines the governor's budget and the fiscal analyst's budget analysis. A summary of the Governor's budget will be prepared for legislators and the general public. The fiscal analyst will no longer be required to review budget amendments sent to the Finance Committee by the OBPP.

OPERATIONAL CONSOLIDATION OF ENVIRONMENTAL POLICY STAFF

The EQC staff is folded into the Legislative Services Division as the Legislative Environmental Policy Office with the establishment of a Legislative Environmental Analyst position. The final version provides that the LEA position is selected by the EQC with the concurrence of the Legislative Council and that the LEA position supervises the staff. In addition, the Water Policy Committee is combined with the EQC, with no name change for the EQC, and increases the EQC membership from 13 to 17.

REVISED LEGISLATIVE COUNCIL

The final version of SB 398 added the President of the Senate, the Speaker of the House, and the minority leaders from each house as ex officio, fully participating members of the Legislative Council bringing to 12 the total Council membership. The other 8 members of the Council are appointed in the same manner as has been true in the past.

The Council must adopt personnel and administrative policies and assign responsibility for administration of those policies. The Finance Committee and the Audit Committee must concur in the policies prepared by the Council.

The bill removes the Council's duty as the Long Range Building Committee for the Capitol and eliminates the Montana Western Canadian Provinces Boundary Advisory Committee. The bill clarifies and expands Council responsibilities for interstate and international cooperation (5-11-301). Under the bill, the Council takes on responsibility for NCSL

membership, Canadian and sister state relations, and other related matters. The Council's responsibility is limited to what can be done with available appropriations, which is good because, except for a partial dues payment to NCSL, there is no funding in the budget for any of the other responsibilities.

The bill assigns branch computer system plan adoption responsibility to the Council in place of Joint Legislative Administration Committees.

As further developments occur due to the implementation of SB 398, updates will be provided in future editions of *THE INTERIM*.



INTERIM CALENDAR

UNLESS OTHERWISE SPECIFIED,
ALL ROOM DESIGNATIONS ARE IN THE CAPITOL

JUNE

June 16, ROC and Legislative Finance Committee, joint session, Room 325, 9 a.m.

June 16, ROC, Room 104, following joint session with Legislative Finance Committee

June 16, Legislative Finance Committee, following joint session with ROC

June 16, Legislative Audit Committee, Room 108

JULY

July 4, Independence Day, holiday

July 8, Legislative Council

AUGUST

August 10, Committee on Indian Affairs, Room 104, 10 a.m.

360 copies of this public document were published at an estimated cost of 60¢ per copy, for a total cost of \$216.00, which includes \$138.00 for printing and \$78.00 for distribution.

Montana Legislative Council
State Capitol Room 138
Helena MT 59620-1706

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